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SENATE BILL 162

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

INTRODUCED BY

Leonard Lee Rawson

AN ACT

**RELATING TO REVENUE; CHANGING THE CONDITIONS UNDER WHICH A
HORSE RACETRACK MAY DEDUCT CERTAIN COSTS.**

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

**Section 1. Section 60-1-15 NMSA 1978 (being Laws 1933,
Chapter 55, Section 9, as amended) is amended to read:**

**"60-1-15. TAX LEVIED--CERTAIN LICENSE FEES AND TAXES
PROHIBITED.--**

**A. In addition to the daily tax provided in Section
60-1-8 NMSA 1978, a tax of two and three-sixteenths percent is
levied on the gross amount wagered each day at each place where
horse racing is conducted by any state fair association
designated by law that in good faith conducts a public fair and
exhibition of stock and farming products or where horse racing
for profit is held. The tax shall be paid from the commissions**

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1 of the licensee.

2 B. To encourage the improvement of those horse
3 racing facilities not licensed as gaming operators pursuant to
4 the Gaming Control Act and for the benefit of the public,
5 breeders and horse owners, [~~and to increase the revenue to the~~
6 ~~state from the increase in pari-mutuel wagering and tourism~~
7 ~~resulting from these improvements~~] not more than two percent of
8 the tax levied under Subsection A of this section [(1)] for the
9 first two hundred fifty thousand dollars (\$250,000) of daily
10 handle [~~only~~] shall be offset for class A licensees by the
11 amount that each licensee expends for capital improvements or
12 in financing term investment in capital improvements at
13 existing racetrack facilities and for class B licensees by the
14 amount that the licensee expends for capital improvements, not
15 to exceed fifty percent of the tax levied under this section,
16 and by the amount the licensee expends for advertising,
17 marketing and promoting horse racing in the state, not to
18 exceed fifty percent of the tax levied under this section. The
19 offset provided in this [~~paragraph~~] subsection shall also apply
20 to the daily handle generated at its facility by a licensee
21 engaged solely in simulcasting pursuant to Section 60-1-25 NMSA
22 1978. The term "capital improvement" means any capital
23 investment in items that are subject to depreciation under the
24 United States Internal Revenue Code of 1986 and are approved by
25 the state racing commission [~~and~~

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1 60-1-15.2 NMSA 1978.

2 D. Accurate records shall be kept by the licensee
3 to show all commissions, total gross amounts wagered and
4 breakage, as well as other information the state racing
5 commission may require. Records shall be open to inspection
6 and shall be audited by the commission or any of its authorized
7 representatives. Should any licensee fail to keep records
8 accurately and intelligibly, the commission may prescribe the
9 method in which the licensee shall keep records.

10 E. All remaining revenues collected as a result of
11 the tax on the gross amount wagered shall be deposited in the
12 state general fund.

13 F. Notwithstanding any other provision of law, [no]
14 a political subdivision of this state may not impose [any] an
15 occupational tax against a racetrack operating under authority
16 of a license granted by the state racing commission. [No] A
17 political subdivision may not levy an excise tax against [any]
18 a racetrack operating under authority of a license granted by
19 the state racing commission, except that [~~taxes~~] a tax imposed
20 pursuant to [~~the County Gross Receipts Tax Act, the County Fire~~
21 ~~Protection Excise Tax Act, the County Sales Tax Act, the~~
22 ~~Municipal Gross Receipts Tax Act~~] the Supplemental Municipal
23 Gross Receipts Tax Act [~~and the Special Municipal Gross~~
24 ~~Receipts Tax Act~~] may be imposed to the extent permitted by
25 law. "

